A0400-16

The Aluminum Situation

Department of Economics and Statistics — **September 1986**

Shipments Up 4.0 Percent in Seven Months

Net shipments for seven months of 1986, at an estimated 9,375 million pounds, were up 4.0 percent from the first seven months of 1985 total of 9,011 million pounds.

Domestic shipments of 8,853 million pounds were up 7.7 percent from the 1985 seven month total of 8,219 million pounds.

Imports of ingot and mill products were up 51.6 percent and exports were down 34.1 percent.

Thru July 1986

	7 Mos. 1986	7 Mos. 1985	% Change
Mill Products	7,519	7,028	+ 7.0%
Ingot	1,856	1,983	- 6.4%
Total	9,375	9,011	+ 4.0%
Less Exports	-522	-792	-34.1%
Domestic Total	8,853	8,219	+ 7.7%

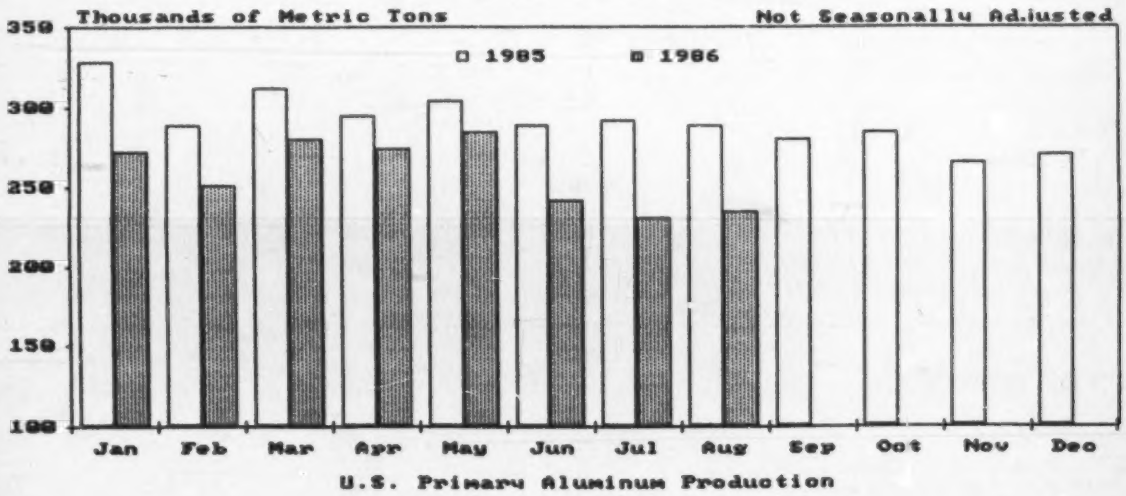
Millions of Pounds
Source: Latest two months estimated by the Aluminum Association. Previous data-Bureau of the Census.

Production Rate Down 18.6 Percent

U.S. primary aluminum production averaged 7,588 metric tons daily during August 1986, compared with and average 9,327 metric tons per day in August 1985.

The annual rate of production in August 1986 was 2,769,526 metric tons, compared to a revised 2,725,373 metric tons in July 1986. The August 1985 annual rate was 3,404,379 metric tons. Actual production in August 1986 was 235,220 metric tons.

Primary Production

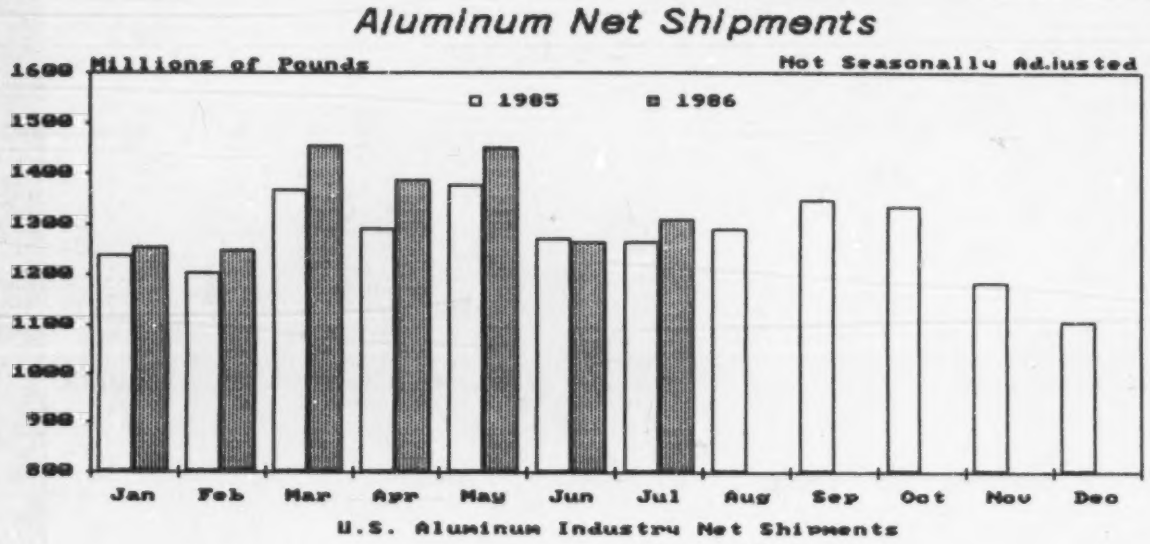


U.S. Primary Aluminum Production

Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

Net Shipments Up 4.0 Percent

Estimated shipments of 9,375 million pounds for seven months of 1986 were up 4.0 percent from the 1985 seven month total of 9,011 million pounds. Exports were down 34.1 percent so domestic shipments showed a 7.7 percent increase over a year ago.



Net Shipments

(Millions of Pounds)

	1986 July	1985 July	1986 7 Mos.	1985 7 Mos.	% Change YTD 1986 vs. 1985
Sheet	532.0	538.9	3,889.0	3,644.7	+ 6.7
Plate	16.0	17.8	151.3	152.7	- 0.9
Foil	58.0	63.7	513.6	471.5	+ 8.9
Rod, Bar & Wire	24.0	25.6	205.1	181.4	+13.1
Electrical Conductor	53.0	53.8	377.4	417.0	- 9.5
Extruded Shapes & Tube**	250.0	220.4	1,659.3	1,526.8	+ 8.7
Powder & Paste	8.0	8.6	60.8	65.7	- 7.5
Forgings & Impacts	11.0	11.7	86.4	88.3	- 2.2
Net Imports of Mill Products (Total)(a)	124.0	66.4	575.8	480.0	+20.0
Total Mill Products	1,076.0	1,006.9	7,518.7	7,028.1	+ 7.0
Ingot(b)	234.0	258.1	1,856.3	1,983.2	- 6.4
TOTAL INDUSTRY SHIPMENTS	1,310.0	1,265.0	9,375.0	9,011.3	+ 4.0
Exports	-52.8	-112.8	-521.8	-792.4	-34.1
TOTAL DOMESTIC SHIPMENTS	1,257.2	1,152.2	8,853.2	8,218.9	+ 7.7

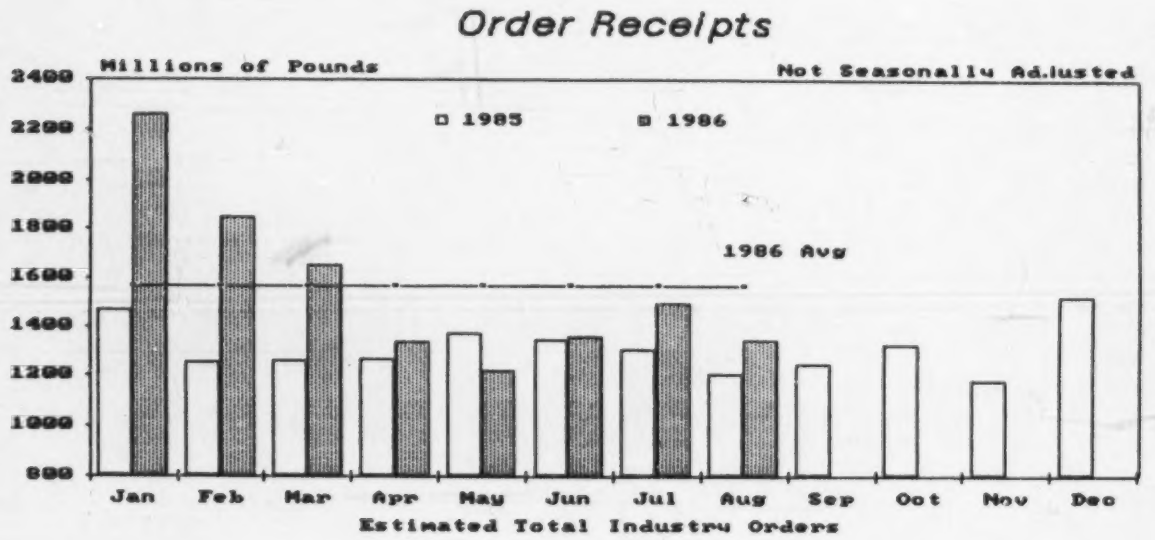
** January-May 1985 shapes and tubes increased to account for unsourced Census revision to total mill products.

*Latest two months estimated by the Aluminum Association.
Previous data-Bureau of the Census and Department of Commerce.
(a) Not included in product data above.
(b) Sufficient data not available for reliable estimate. Implicit in this item is a 10 to 25% variation.

Commencing January 1985, Census reports have changed product categories as follows: Rod, Bar and Wire now includes Extruded Rod and Bar; the former Extruded Products now only consists of Shapes and Pipe and Tube; and Welded Tube has been dropped.

Net New Orders Up 19.4 Percent

Estimated net new order receipts for eight months of 1986 at 12,515 million pounds were up 19.4 percent over the first eight months of 1985 total of 10,480 million pounds. August orders of 1,343 million pounds were 11.3 percent above August a year ago.



Order Receipts

(Millions of Pounds)

	1986 Aug	1985 Aug	1986 8 mos.	1985 8 mos.	% Change YTD 1986 vs. 1985
Can Stock(a)	305.7	233.0	2,551.5	2,207.2	+15.6
Sheet & Plate, Other	284.0	324.4	2,697.1	2,771.6	- 2.7
Foil	65.6	50.9	585.1	483.9	+20.9
Rod, Bar & Wire	27.1	23.3	219.5	125.3	+75.2
Electrical Conductor	44.7	53.4	456.7	485.4	- 5.9
Extruded Products	260.1	212.0	1,921.6	1,688.5	+13.8
Powder & Paste	5.4	9.3	55.7	82.0	-32.1
Forgings & Impacts	7.0	7.4	75.0	79.7	- 5.9
Domestic Mill Products	999.6	913.7	8,562.2	7,923.6	+ 8.1
Ingot (Total)	284.3	217.7	3,422.5	1,879.0	+82.1
TOTAL DOMESTIC	1,283.9	1,131.4	11,984.7	9,802.6	+22.3
Exports	59.0	75.4	529.8	677.7	-21.8
TOTAL ALL PRODUCTS	1,342.9	1,206.8	12,514.5	10,480.3	+19.4

Source: The Association estimates total industry orders (including orders for imports), based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available upon request.
(a) Domestic only. Orders for imports of can stock are included in Sheet and Plate, Other.
*Latest month.

July 1986 Inventories Increased 15 Million Pounds

Producer inventories increased an estimated 15 million pounds in July 1986 from a revised June level of 5,047 million pounds.

Month-End Aluminum Inventories
By Type of Producer
Figures in Millions of Pounds

Month	Total*	Integrated	Smelters	Non-Integrated
Dec 80	5,076	4,018	261	797
Dec 81	6,607	5,542	266	798
Dec 82	6,180	5,224	216	740
Dec 83	4,994	3,979	163	853
Dec 84	5,850	4,692	229	929

Month	Total*	Ingot	Scrap	All Other
Aug 85	5,489	2,397	695	2,396
Sep 85	5,438	2,359	662	2,416
Oct 85	5,337	2,347	643	2,347
Nov 85	5,246	2,286	612	2,348
Dec 85	5,165	2,235	567	2,363
Jan 86	5,161	2,167	561	2,433
Feb 86	5,158	2,038	562	2,558
Mar 86	5,054	1,865	521	2,668
Apr 86	5,097	1,795	560	2,743
May 86	5,045r	1,840r	591r	2,614r
Jun 86	5,047r	1,958r	619r	2,471r
Jul 86	5,062	1,947	632	2,483

*Latest two months estimated by Aluminum Association. Previous data-Bureau of the Census. Inventories include ingot, mill products and scrap.
Early estimates are available approximately the 5th working day each month; however, there is a charge for this special service. Contact the Aluminum Association Department of Economics and Statistics for details.

Imports and Exports

(Millions of Pounds)

		1986 July	1985 July	1986 7 Mos.	1985 7 Mos.	% Change 1986 vs. 1985
Imports	Mill Products	137.0	76.2	658.2	597.8	+ 10.1
	Ingot	267.1	151.2	1,885.2	1,079.6	+ 74.6
	Total	404.1	227.4	2,543.4	1,677.4	+ 51.6
	Scrap (+ dross)	26.7	18.9	205.1	143.9	+ 42.5
	Grand Total	430.8	246.3	2,748.5	1,821.3	+ 50.9
Exports	Mill Products	28.7	29.3	262.5	256.8	+ 2.2
	Ingot	24.1	83.5	259.3	535.7	- 51.6
	Total	52.8	112.8	521.8	792.5	- 34.2
	Scrap	62.5	63.6	437.2	505.2	- 13.5
	Grand Total	115.3	176.4	959.0	1,297.7	- 26.1
Net Imports		315.5	69.9	1,789.5	523.6	+241.8

Source: Department of Commerce, Industry Trade Administration and Bureau of the Census. Excludes backed foil.